

NDWEDWE LOCAL MUNICIPALITY



ANNUAL PERFORMANCE REPORT

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FOREWORD BY THE HON MAYOR

The realization of the objects of Local Government depends mainly on the existence of a 5 year smart strategic plan of the Municipality which is reviewable on annual basis against its milestones.

It is therefore against the above-mentioned background that our Council and Municipality have again to reflect through performance information, the extent to which the identified service delivery and developmental tasks were executed during the 2008/09 Financial Year.

The Council adopted a twelve month service delivery programme for 2008/09 dubbed *Operation Kwasuka* which identified six key developmental priorities. viz.:

1. Expand provision of infrastructure and basics services
2. Build municipal system and capacity.
3. Build local economy, job creation and poverty alleviation
4. Integrated Development of youth, women and disabled
5. Stakeholder mobilization and engagement.
6. Accelerate the provision of Government Services to communities

Overall speaking, the Council and Municipality have fairly performed well on these priorities despite the bottlenecks which have been identified as follows:

1. Under-spending especially on some operating budgetary items due to understaffing in strategic positions.
2. Vacancy rate for strategic positions and delay to fill these positions mainly due to the scarcity of the required skills , location(rural) of our municipality, grading of the municipality that influence unattractive salary packages and protracted labour disputes viz. Municipal Manager, Director Corporate Services and Director Technical Services.
3. Poor workmanship of certain Services providers and lack of project management skills within the municipality.
4. Absence of the operations and maintenance plans for Municipal/Community facilities.
5. The non-existence of the Project Management Unit to manage all the MIG projects.
6. The non-existence of the integrated development programmes for youth, women and disabled.

The Council and Municipality have developed clear strategic interventionist processes to deal with the above-mentioned challenges in order to improve on the Service Delivery agenda of the Municipality.

On behalf of the entire Council and Municipality, I express our heartfelt gratitude and appreciation to various organs of state, bodies etc. who have contributed towards the fairly improved performance of both Council and Municipality for the year 2008/09.

CLLR. S.W. KUBHEKA
MAYOR

MUNICIPAL MANAGER'S REMARKS

Municipalities are required to submit their Annual Financial Statements together with Performance Information before the 31st of August in the new financial year for the previous financial year as per General Notice 616 dated 15 May 2008 read with Section 46 of the Local Government: Municipal Systems Act, 2000. The performance information must reflect the following areas:

- The performance of the municipality and of each external services provider during that financial year
- Performance comparison with targets set for and performance in the previous financial year and measures taken to improve performance.

The municipality had an IDP/Budget that was adopted by council on 28 May 2008 that was used as the compass that gave direction in our service delivery journey during the year under review.

Ndwedwe Local Municipality has prepared the performance information based on the five Key Performance Areas assigned to four municipal directorates, i.e. Finance, Infrastructural and Technical Services, Corporate Services and Economic Development and Planning. During the year under review as the municipality had ups and downs, achievements and challenges and managed to improve its performance in comparison to the previous years.

The municipality started the year under review with vacancies in strategic posts, this includes the posts of the Municipal Manager and Corporate Services Director. Economic Development and Planning Director had been acting as the Municipal Manager from May 2008 till February 2009 and did an excellent work in ensuring that the municipality carries and deliver on its service delivery mandate. The Manager Human Resource also played an important role in ensuring that the Corporate Services Directorate does not collapse in the absence of the director in charge. Two managers were suspended and one eventually dismissed and one director suspended. This adversely affected service delivery.

Number of key service delivery projects were completed during the year under review, this includes roads in wards 6 (Febe), 12 (Ezintalukeni), 14 (Nompande phase 1), three other roads are 90% complete; Community Development Centres in ward 3 and ward 7. Two community halls were completed in ward 17 (Ezimpondweni) and ward 19 (Esigedleni).

We looking forward to the implementation phases of key tourism projects, these include KwaLoshe indigenous Forest and Nhlankakazi Tourism Project. The municipality in partnership with the Department of Human Settlement during the year under review ensured that our community feel and see that their human dignity is respected and protected by providing decent housing through rural housing projects in ward 1 (Cele-Nhlankwini), ward 12 (KwaQwabe) and ward 14 (Mavela). A number of housing projects are at the planning phase these includes KwaShangase, Nkumbanyuswa, Kwahlophe, Nodwengu and Madundube.

The municipality for the first time during the year under review had an ATM installed in one of the local shops in partnership with First National Bank and Local Businessman.

The municipality received an unqualified audit opinion with some areas of concern from the Auditor - General in the previous year.

All these were achieved under Operation Kwasuka and the municipality believes that in the new financial year we will do more and better in ensuring that rural development agenda is set and the fruits thereof are enjoyed by all resident of the municipality working together with all stakeholders.

CHAPTER 1 INTRODUCTION AND OVERVIEW

Overview of the municipality

Ndwedwe Local Municipality is one of the four local authorities within the Ilembe District Municipality. It borders in the east onto the KwaDukuza Municipality and in the north on the Maphumulo Municipality. In the south Ndwedwe abuts the eThekweni Municipality and in the west the uMshwathi Municipality. In broad terms the municipality is situated parallel with and approximately 20 KM inland from the KwaZulu-Natal Coast. While much of the north-eastern part of Ndwedwe forms part of the coastal flats mostly covered by KwaDukuza, the majority of the area consists of tribal authority land ranging from topographically fragmented to steep and dramatic.

Within the regional context, much of the Ndwedwe Municipality represents the former KwaZulu homeland consisting of traditional settlement areas which, while located in relative close proximity to major urban and economic developments (e.g. King Shaka International Airport and Dube Trade Port), have remained substantially underdeveloped, disadvantaged and poor.

Ndwedwe Municipality is in the extent of 1153 Km² and accommodates a population in the region of 130 140 people. Overall settlement densities are approximately 145 people per Km². 68% of Ndwedwe consists of tribal authority land and the remainder is made up of commercial farm lands located in the north- east of the municipality.

Key Facts

Population

134 754

Population Density

120 /Km²

Land Area

1153 Km²

Executive Summary

In terms of Section 46 of the Municipal Systems Act 32 of 2000, municipalities are enjoined to prepare for each financial year a performance report which must reflect:

- 1) the performance of the municipality and of each external service provider during that financial year;
- 2) performance comparison with targets set for and performances in the previous financial year; and
- 3) measures taken to improve performance.

The annual performance report must form part of the municipality's annual report in terms of the Municipal Finance Management Act 56 of 2003.

Some of the powers and functions allocated to the Ndwedwe Local Municipality are:

- Municipal Planning.
- Local Tourism.
- Local Amenities.
- Cleansing.
- Control of public nuisance.
- Storm Water.
- Local Sports facilities.
- Municipal Roads.
- Fencing and Fences.

It is the responsibility of the municipality to ensure that there is proper management of human resources, the promotion of organizational development, the enhancement of financial viability and management and the ensuring of good governance and public participation. These are essential in order to realize service delivery, infrastructural and economic development. This must happen within the context of Ndwedwe Local Municipality being a rural municipality.

Vision

Municipality of hope, dignity and prosperity.

Mission

To promote a quality and sustainable delivery of municipal services by:

- Involving communities in the development;
- Forging strategic alliances and partnerships between the municipality and government departments, NGO's, CBO's, Private Sector, etc. to ensure speedy and coordinated delivery.

Values

The operations of the municipality will be underpinned by the following values:

- Accessibility.
- Good Governance.
- People Centrality.
- Transparency.
- Customer satisfaction.
- Accountability.
- Courtesy.
- Integrity.
- Employee development.
- Respect.

Municipal Strategic Objectives

- To provide sustainable service delivery.
- To facilitate the sustainable economic development, poverty alleviation and job creation.
- To deepen transformation and institutional development.
- To observe good governance.
- To provide for integrated human settlement.
- To empower people.
- To care for and respect human dignity.

Key Performance Areas

- Human Resources and Organizational Development.
- Service Delivery and Infrastructural Development.
- Economic Development and Planning.
- Municipal Financial Viability and Management.
- Good Governance and Public Participation.

CHAPTER 2 PERFORMANCE HIGHLIGHTS

Strategic Priority: Human Resources and Organizational Development:

This priority is the responsibility of the Directorate of Corporate Services. Its key responsibilities are:

- Human Resource Management.
- Skills Development.
- Performance Management System.
- Secretarial support for Council and other municipal structures.
- Labour Relations.

Some of the **key achievements** by the Directorate include the following:

1. Administration and Competency Framework:

- Organogram in place and adopted by Council.

2. Human Resource Strategy: Administrative Policies and Procedures:

- The following policies are in place: Selection and Recruitment Policy; Sexual Harassment Policy; Reviewed Fleet Management Policy; Fraud Prevention Strategy and Plan; Employment Equity Plan.

3. Skills Development:

- Workplace Skills Development Plan in place.
- 07 Councilors received training on IDP, Project Management, LED and Contract Management.
- 05 Employees received training on Advanced Project Management.

4. Standard Operating Procedures and Delegations:

- Delegation system approved and adopted by Council.

5. Functional Performance Management System:

- PMS policy in place.
- Organizational performance scorecards in place.
- Annual Performance Report adopted and submitted on time.

Strategic Priority: Service Delivery and Infrastructure Development:

This priority is the responsibility of the Directorate of Technical Services. Its key responsibilities are:

- Water Services.
- Sanitation Services.
- Roads and Transport Programmes.
- Waste Management.
- Project Maintenance.
- Electricity and electrification.

Some of the **key achievements** of the Directorate include the following:

1. Roads:

- The following roads were completed: Meme Access Road; Cemetery Access Road; Febe Access Road; Nompande Access Road; Ezitakuleni Access Road and Khasimbe Access Road.



Portion of the Ezitakuleni Road

2. Speed Humps:

- Speed humps were constructed in Ward 1.



The speed hump in ward 1

3. Community Facilities:

- The following facilities were completed: Ezimpondweni Community Hall; Esigedleni Community Hall; Market Stall in Ward 8; Madundube Market Stall; Waterfall CDC; Thafamasi CDC; Mahedeni Hall; Hlomantethe Hall; Thafeni Hall and Embuyeni Hall.



Esigedleni Hall



Madundube Market Stalls



Ward 8 Market Stall



Waterfall CDC



Ezimpondweni Hall

4. Water and Sanitation:

- Water project at Wewe where 45 standpipes were put in place.
- Extension of access to water at Sani area.
- 03 X springs Protections at KwaMagwaza and Mthombisa area.
- Water drought relief at Mthombisa area.

5. Sports and Recreation:

- Sports Against Crime Project in Ward 3.
- Ward 8 Sport Tournament held (7 codes).

Strategic Priority: Economic Planning and Development

This priority is the responsibility of the Directorate of Economic Planning and Development. Its key responsibilities are:

- Tourism Development and Promotion.
- Agricultural Development and Planning.
- Integrated Human Settlement.
- Local Economic Development.
- Sports and Recreation.
- Disaster Management.
- Library Services.

Some of the **key achievements** of the Directorate include the following:

1. TOURISM:

- Nhlankazi Tourism Business Plan in place.
- Hlalisile Beadwork Business Plan in place.
- KwaLoshe Tourism Project.

2. AGRICULTURAL DEVELOPMENT AND PLANNING:

- Ndwedwe Mini-factories.
- Fresh Produce Markets.
- Fencing and Gardening in Mthombisa area.

3. PLANNING:

- Area Base Plan.
- Bhamshela Regeneration Project.
- Ndwedwe Town Development Project.

4. INTEGRATED HUMAN SETTLEMENT:

- Cranbrook Middle-Income Housing Project.
- Cele-Nhlangwini Housing Project.
- Mavela Housing Project.
- Qwabe Housing Project.

5. DISASTER MANAGEMENT:

- Vouchers and subsidies for the January 2009 hailstorm victims.

6. POVERTY ALLEVIATION:

- Formation of HIV/ AIDS structure.
- Formation of orphan structure and Dropping Centre.
- Vegetable Co-op (seeds) Project.
- 23 people assisted with indigent burials.
- Roll-out of Siyenza Shombela Agricultural Project.
- Roll-out of Makhuluseni and Mbalenhle Massification Project.
- Roll-out of food parcels and school uniforms.

Strategic Priority: Financial Viability and Management:

This priority is the responsibility of the Finance Directorate whose key responsibilities are:

- Supply Chain Management.
- Municipal Budget, Expenditure and Revenue Management.
- Asset Management.
- Accounting Services.

Some of the **key achievements** of the Directorate are the following:

1. BUDGET:

- Annual budget approved on time.
- Budget aligned with IDP.
- SDBIP approved on time.

2. FINANCIAL MANAGEMENT:

- Unqualified audit report.
- Submission of Annual Financial Statements in time.
- Movement from Abakus accounting system to PROMIS.
- The following policies are in place: SCM Policy; Asset Management Policy; Revenue Raising Policy; Fraud Prevention Strategy and Plan.

Strategic Priority: Good Governance and Public Participation:

This priority is located in the office of the Municipal Manager. Its key responsibilities are the following:

- Overall management of the municipality.
- Sound municipal operational systems.
- Implementation of council resolutions.
- Overall municipal administration.

Some of the **key achievements** of this section include the following:

1. COMMUNITY PARTICIPATION FRAMEWORK:

- Existence of ward committees chaired by ward councilor.
- Two (2) Public Participation Officers have been appointed.
- Regular ward meetings are held.
- Izimbizo's.
- "Isithangami" Newsletter has been launched.

2. COMMUNITY DEVELOPMENT WORKER FRAMEWORK:

- Ten (10) Community Development Workers serve the municipality.

3. OVERSIGHT:

- Council.
- Executive Committee.
- Portfolio Committees.

4. GOVERNANCE:

- Performance Audit Committee has been appointed.
- IDP / BUDGET / OPMS Framework adopted by Council.
- Annual Report, including Annual Performance Report, approved and submitted on time.

5. RELATIONSHIP WITH TRADITIONAL LEADERSHIP:

- Joint Coordinating Committee in place.
- Budget available for the JCC activities.
- Amakhosi are involved in Municipal Review processes.

CHAPTER 3 HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

Organisational Structure and Strategic functions

When adopting the 2008/2009 IDP and Budget, the Council also undertook to adopt the Draft Organogram as part of its IDP. The current organogram is in line with the strategic directives of the Municipality:

The accelerated and sustainable provision of infrastructure and basic services.

The accelerated and sustainable development of local economy.

The accelerated fight for poverty and HIV/AIDS reduction.

Building and sustaining service and performance driven municipality.

Deepen the institutional democracy, accountability and human rights.

Build and sustain unity, peace and reconciliation.

In turn, these strategic directives are informed by the following local government focal areas (KPAs):

Delivery of sustainable infrastructure and basic services

Sustainable economic growth and development

Financial viability

Sound institutional arrangements

Development of good governance

It has always been the Council's vision that its organogram should always be aligned to its strategic directives. This approach ensures that the municipality, through the filling of strategic posts, is able to deliver on its strategic objectives. During the 2007/2008 financial year, the municipality undertook to fill the following posts which are critical for the successful implementation of its IDP:

Director Economic Development and Planning: this directorate is responsible for the sustainable economic growth and development, and delivery of infrastructure and basic services, to a particular extent. These responsibilities include Local Economic Development, Tourism, agricultural development, environmental/development planning, and sustainable human settlements (development Housing). Since the filling of this post, the Municipality has made a noticeable impact in terms of developing LED and Tourism Strategy, Agricultural Sector Plan, frameworks for nodal development, and Housing Sector Plan. Some of the projects (whether at the level of studies or otherwise) that are dictated by the above overlapping frameworks have or are currently being implemented, e.g. projects such as Nhlalakazi tourism

project, KwaLoshe projects, and Wozani cultural village are progressing very well; there are small-scale agricultural projects that going to be implemented this financial year; the municipality is going to build agri-processing mini-factories closer to the Ndwedwe town centre, etc; studies regarding the development of nodal areas are currently being conducted; there are housing projects that going to be packaged as per the Housing Sector Plan. The functions of looking after the designated groups have been allocated to this directorate, including sports and recreation. In order to bring more capacity to this directorate, the municipality has advertised a position of Manager Local Economic Development and Planning. This post will be filled before the end of September.

Director Financial Services (CFO): this directorate is responsible for financial viability of the municipality. Because of the filling of the post, the municipality is now in a position to map out how it intends, for example, to implement the MPRA; develop Indigent register, attend to issues of financial control; take measure steps to address the concerns have been raised by the Auditor-General, including those that would be raised by the Audit Committee from time to time when performing its functions. Issues regarding the raising of revenue are being attended to. E.g. the municipality is currently developing Tariffs that would enable it to get revenue from the utilisation of municipal halls, market stalls, etc. In the execution of financial duties, the CFO is assisted by the Manager Accountant who was also appointed in the 2007/2008 financial year.

Manager IDP: the municipality has now got its own dedicated In-house Official responsible for preparation, review, and monitoring of its IDP. This responsibility is important because the municipality is able to plan holistically to ensure that a number of community needs are met. Further, the Municipality is now able to own its IDP because of its undertaking to ensure that the IDP continually remains relevant to its environment and the changing needs.

Area Manager Thusong Centre (Bhamshela Area): the municipality is now in a position to ensure that there is integrated service delivery by governments departments. The construction of the Bhamshela Tusong Centre would be completed before mid-financial year. This will not only ensure integrated service delivery, but also a holistic development of Bhamshela as important node within the municipality.

Manager Communications: it is important that the municipality is able to communicate with the external world to ensure great accountability and transparency in the affairs of the municipality. Good governance dictates that citizens are informed and consulted of various activities within the municipality. Since the filling of this post, the

municipality has made significant impact in terms of the improvement of municipality-stakeholder relations, and municipal branding and marketing. Before the end of July, the Municipality would have adopted its Communication Strategy.

Manager Human Resources: the incumbent is responsible for Institutional and organisation development and is assisting the Director Corporate Services. The development of PMS and its cascading down to all staff members is now coming to finality. Since the incumbent joined the municipality, one has seen the development human resources tools such as Skills Plan, Employee Retention Strategy, etc. All these tools are important for the successful implementation of the IDP.

Director Technical Services: the municipality is in a process of filling this vacant post since this is considered to be critical in terms of service delivery. The incumbent will be responsible for the delivery of sustainable infrastructure and basic services in accordance with the strategic directives of the IDP.

Municipal Manager: this post has been filled. This post is critical for the functioning of the whole institution and the achievement of the strategic objectives.

Human Resources Policy and Procedures

The Municipality has a Human Resources Policy and Procedure Manual which provides a framework of rules and regulations, which are essential for the well-being of the employees and the successful achievements of the organisation's objectives as contained in the IDP. The HR Manual ensures that the rights of individual employees are upheld and the objectives of the organisation are achieved. It contains tools such as the Recruitment, Selection, Appointment, Staff Retention, Orientation and Induction Policy and Procedures; Employee Assistance Policy; Code of Good Practice; Conditions of Service; Leave Policy; Remuneration and Employment Benefits Policy; Training and Development Policy; Disciplinary Code, Policy and Procedures; Grievance Procedure; Workplace Policy on HIV and Aids; Smoking Policy; Termination of Employment Policy and Procedure.

The Humans Resources Policies are aligned to the IDP. The municipality, as a low capacity municipality, has realised the need to attract scarce skills to ensure successful service delivery, and has, to that effect, managed to attract scarce skills such as town planning. The municipality is in a process of appointing an engineer who will lead the Directorate Technical Services.

Employment Equity Plan

The municipality has the Employment Equity Plan in place. Its objectives are as follows:

- Eliminate unfair discrimination in employment policies, practices and procedures of the municipality;
- Ensure the implementation of employment equity to redress the effects of discrimination;
- Achieve a diverse workplace which broadly represents the people of Ndwedwe;
- Promote economic development and efficiency in the workplace and give effect to the obligation of the Republic as a member of the International Labour Organization (ILO);
- To identify all barriers, which prevent or hinder in any way the advancement of the designated groups;
- To create a pool of skills and competencies to meet business objectives and challenges of the future;
- To make a special efforts to accommodate the people with disabilities, where possible;
- To respect the privacy of each individual and ensure that sexual harassment is not tolerated in any form whatsoever; and-
- To respect diversity and, at the same time, encourage teamwork, shared values, mutual acceptance and social interaction.

The Plan indicates the demographic representativity in respect of race, gender, disability, etc. While the municipality has made a significant impact in terms of gender representativity at non-managerial levels, there is still a great need to improve its representativity by employing more women at managerial level. Currently, there is only one woman at the managerial level. In future appointments, the municipality intends to employ more women in senior positions. Furthermore, the Municipality is addressing the issue of employing disabled people at both managerial and operational levels. As for Whites and Coloureds, none is employed at this stage; however, it is hoped that a racially balanced workforce would exist in years to come.

Training and Development

A Workplace Skills Plan for 2008/2009 has been submitted to LGSETA. The proposed expenditure on training for municipal employees and unemployed people is in the region of R1, 200,000.00 and R300, 000.00 respectively. The training budget will cover the training needs of 37 councillors and 62 municipal employees.

CHAPTER 4 FUNCTIONAL AREA SERVICE DELIVERY REPORTING

Overview

Item	Detail
Performance Information	Key Performance Areas and functional areas or development priorities
KPA 1	Functional municipal governance structures
Human Resources and Organisational Development	Administration and Councillor Competency Frameworks
	Implementation of the Organisational Structure in compliance with the Employment Equity Act
	Sound Business Processes
	Human Resources Strategy incorporating all core administrative policies, procedures
	Skills Development (both councilors and employees)
	Standard operating procedures and delegations
	Functional Performance Management System adopted and aligned to IDP
KPA 2	Water Services
Service Delivery and Infrastructure Development	Sanitation Services
	Electricity and Electrification Programme
	Alternative Energy
	Roads and Transport Programme
	Storm Water Drainage
	Waste Management
	Telecommunication
	Projects Maintenance Plans
	Sports and Recreation
	Cemetery
KPA 3	Agricultural Development and Promotion
Economic Development and Planning	Tourism Development and Promotion
	Integrated Human Settlements
	Nodal and Corridor Development
	Sustainable Community Development Centres
	Indigent Burial Services
	Sports and Recreation
	Integrated Youth Development
	Comprehensive HIV / AIDS
	Disaster Management and Mitigation
	Library Services

<p>KPA 4</p> <p>Municipal Financial Viability and Management</p>	<p>Compliance with MFMA</p> <ul style="list-style-type: none"> - Approved budget by end of June - SDBIP approved by end of July - Submission of financial statements to A-G by 31 August - Submission of annual report to council by January <p>Revenue raising strategy developed</p> <p>Ratio of Operation and Maintenance, Salaries and Capital budget</p> <p>Grant Dependency Ratio</p> <p>Implementation of the Property Rates Act</p> <ul style="list-style-type: none"> - Property Rates policy and adopted - Valuation Roll completed and implemented <p>Results of A-G Audit</p>
<p>KPA 5</p> <p>Good Governance and Public Participation</p>	<p>Community Participation Framework</p> <p>Community Development Worker Framework</p> <p>Traditional Leadership consultation and participation system</p> <p>Customer service improvement plans</p> <p>Functional Audit Committee</p> <p>Functional Performance Audit Committee</p> <p>Functional Oversight Committee</p> <p>Annual report, inclusive of an annual performance report (Section 46 report) tabled in January and adopted with oversight report by end of March</p>

PERFORMANCE INFORMATION

KEY PERFORMANCE AREA 1

HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT

Functional Area or Development Priorities	Key Performance Indicators	Type of indicator Output	Performance Criteria or Performance Standards	Measures to improve performance in following year
Functional municipal governance structures				
Administration and councilor competency frameworks	1. % of Section 57 Managers whose competency was assessed within the municipality	Output	Competency assessment not existent.	Creation of Competency Assessment Framework.
	2. % of Section 57 Managers who meet the requirements detailed in the competency assessed framework	Outcome	Lack of competency assessment framework.	Creation of competency framework.
	3. Number and % of municipal employees occupying	Outcome	01 x Municipal employees occupying Technical and	Thorough implementation of selection and recruitment

	technical and managerial positions with a professional qualification		Managerial positions without a professional qualification (or equivalent experience) that complies with the norms and standards established by a professional body. 02 x Municipal employees occupying Technical and Managerial positions registered with a professional body. 02 x Municipal employees occupying Technical and Managerial positions registered with a professional body, and with a professional qualification (or equivalent experience) that complies with the norms and standards established by a professional body.	policy.
Implementation of the Organisational Structure in compliance with EE Act	Number of Municipal Managers and Section 57 Managers appointed as per the EE targets	Output	None.	Compliance with the relevant legislation.

Human Resources Strategy incorporating all core administrative policies and procedures	Existence of a Strategy through Policies and Plans.	Outcome	Availability of the following documents, approved and adopted by Council: 1) Selection and Recruitment Policy. 2) Sexual Harassment Policy. 3) Reviewed Fleet Management Policy. 4) Fraud Prevention Strategy and Plan.	
Skills Development (both councilors and employees)	Number of employees and councilors who received capacity building interventions.	Output	1) Number of Councilors who received training: 07 Type of training: IDP, Project Management, LED, Contract Management. 2) Number of employees who received training: 05 Type of training: Advanced Project Management	
Standard operating procedures and delegations	Existence of standard operating procedures and delegations.	Outcome	Availability of a delegation system approved and adopted by Council.	

Functional Performance Management System	1. The municipality has a fully functional organisation wide performance management system	Outcome	A functional organisational wide performance management system is defined as follows: 1. There is a PMS Policy 2. Staff is capacitated to undertake reviews and coaching 3. Staff from level 1-4 has performance scorecards 4. Regular review and coaching sessions are conducted during departmental meetings. 5. The review and coaching sessions are documented in minutes of meetings.	
	2. Annual performance report adopted and submitted on time	Output	Compliance with prescribed deadlines and legislation.	
	3. A functional monitoring, evaluation and reporting systems	Outcome	Non-existence of Monitoring, Reporting and Evaluation Forum.	Creation of a Monitoring and Evaluation Policy

KEY PERFORMANCE AREA 2

SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Functional Area or Development Priorities	Key Performance Indicators	Type of indicator	Performance Criteria or Performance Standards	Measures to improve performance in following year
Community Development Centres and Creches	Number of facilities built.	Impact	<ul style="list-style-type: none"> 02 completed: Wards 3 and 7 01 under construction. 	Monitor timeframes closely.
Sports Fields	Number of facilities built.	Impact	03 Completed: <ul style="list-style-type: none"> Ezimpondweni Sportsfield (ward 17) KwaDeda Sportsfield (ward 5) Ndwedwe Regional Sportsfield (ward 15) 01 Incomplete: (ward 18) 	Adherence to timeframes.
Community Halls	Number of facilities built.	Impact	02 completed: <ul style="list-style-type: none"> Ezimpondweni Hall (ward 17) Esigedleni Hall (ward 19) 	
Roads and Transport Programme.	Rate of reduction in the number of	Impact	Roads maintenance not adequately done due to scarcity of resources.	Purchase of TLB and Grader.

	households in the serviced area without a basic supply service in terms of roads.		Roads maintained: <ul style="list-style-type: none"> • Nompande Road (ward 14) • Ezintalukeni Road (ward 12) • Febe Road (ward 6) 	
Waste Management.	Rate of reduction in the number of households in the serviced area without a basic supply service in terms of refuse removal.	Impact	Implementation on a limited scale.	Improve capacity and increase resources.
Projects Maintenance Plans.	Number of facilities that are maintained.	Impact	04 Facilities completely maintained: <ul style="list-style-type: none"> • Mahedeni (ward 19) • Hlomantethe (ward 19) • Emona (ward 12) • Health Post (ward 19) 	
Implementation of the MIG	Number of roads constructed and completion rate.	Impact	<ul style="list-style-type: none"> • 03 completed. • 03 incomplete. • Total budget: R11,390.00. 	

KEY PERFORMANCE AREA 3
ECONOMIC DEVELOPMENT AND PLANNING

Functional Area or Development Priorities	Key Performance Indicators	Type of indicator	Performance Criteria or Performance Standards	Measures to improve performance in following year.
Agricultural Development and Planning.	Number of projects and activities undertaken.	Impact	<ul style="list-style-type: none"> • Support for 02 (Makhulusenu Agric Project in ward 18 and Mbalenhle Agrc Project in ward 16) major agricultural projects. • Support for 03 community gardens per ward. • Distribution of seed packs in each ward. • Render tractor services in each ward. • Complete business plan for Ndwedwe Mini-factories. 	
Tourism Development and Promotion.	Availability of relevant plans.	Outcome.	<ul style="list-style-type: none"> • Complete Tourism Sector Plan. • Complete KwaLoshe Tourism Business Plan. • Complete Nhangakazi Tourism Business Plan. 	
Integrated Human Settlements.	Number of completed housing projects.	Impact	<ul style="list-style-type: none"> • Construction of Cele-Nhangwini Housing Project. • Construction of Mavela Housing Project. 	

			<ul style="list-style-type: none"> • Approval of Nodwengu Housing Project. • Approval of KwaShangase Housing Project. • Starting construction of Cranbrook Housing Project. 	
Nodal and Corridor Development.	Number of planning activities done.	Outcome	<ul style="list-style-type: none"> • ABM design and business plans done. • Design and business plan for Bhamshela Town Regeneration done. 	
Sustainable Community Development Centres.	Number of centres constructed.	Outcome	<ul style="list-style-type: none"> • 02 community centres established. 	
Indigent Burial Services.	Rate of roll-out to indigent households.	Impact	100%: support programme rolled out to all indigent households.	
Sports and Recreation.	Existence of planning activities.	outcome	<ul style="list-style-type: none"> • Development and implementation of sports and recreation programme. • Implementation of KWANALOGA Plan. • Conducting of sports and recreation development and promotion programmes. 	
Integrated Youth Development.	Number of structures and plans relevant for the area.	Outcome and Impact	<ul style="list-style-type: none"> • Setting up of youth forums. • Development of youth development strategy. • Promote career guidance awareness. 	

Comprehensive HIV/ AIDS.	Availability of planning activities.	Outcome	Implementation of comprehensive HIV/ AIDS programme.	
Disaster Management.	Existence of planning activities.	Impact	Managing, coordinating and mitigating responses to emergencies.	
Library Services.	Existence of awareness activities.	Impact	<ul style="list-style-type: none"> • Marketing the library to local community. • Promotion of readership programmes. 	

KEY PERFORMANCE AREA 4
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Functional Area or Development Priorities	Key Performance Indicators	Type of indicator	Performance Criteria or Performance Standards	Measures to improve performance in the following year
Compliance with MFMA	<p>Approved budget by end of June</p> <p>SDBIP approved by end of July</p> <p>Submission of financial statements to A-G by 31 August</p> <p>Submission of annual report to Council by January</p>	Output	Compliance in all these areas.	
Ratio of Operation and Maintenance, Salaries and Capital budget	% of MIG funds spent for a particular financial year	Output	65% of funds spent.	Observe and follow process timeframes.
Ratio of Grant Dependency	% of grant dependency.	Output	100% dependency.	
Revenue raising strategy developed	Revenue generated as a % of projected revenue target.	Impact	0.2%	

Implementation of the Property Rates Act	Property Rates Policy adopted and implemented. Valuation Roll completed and implemented	Impact	<ul style="list-style-type: none"> • Approved by Council. • Implementation Date: 01 July 2009. 	
Results of A-G Audit	Improvement on previous years' audit reports	Impact	Municipal Audit Report with an unqualified rating (with minor queries.	

KEY PERFORMANCE AREA 5
GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Functional Area or Development Priorities	Key Performance Indicators	Type of indicator	Performance Criteria or Performance Standards	Measures to improve performance in following year
Community Participation Framework	Functional ward committees	Output	Ward Committees exist in all wards within the Municipality.	
Community Development Worker Framework	Number of Community Development Workers deployed in the municipality	Output	10 Community Development Workers serve the Municipality.	
Traditional Leadership consultation and participation system	Existence of functional structures.	Output	Joint Coordinating Committee.	
Customer service improvement plans	Existence of strategy, plan or policy.	Outcome	Non-existence of Plan, Policy or Strategy.	Design of a Customer Care Policy and adoption by Council.
Functional Audit Committee	Existence of a functional Audit Committee.	Output	Internal Audit Committee in place.	
Functional Performance Audit Committee	Existence of a functional Performance Audit Committee.	Output	Functional Performance Audit Committee not in place.	Establishment of a functional Audit Committee.

Functional Oversight Committee	Monitoring and evaluation of internal processes and systems.	Output	Portfolio Committees, ExCo and Council play the oversight role.	
Accountability to stakeholders	Annual report, inclusive of an annual performance report (Section 46 report) tabled to Council in January and adopted with oversight report by end of March.	Output	Compliance with the relevant legislations.	
Anti Corruption Strategy	Progress in implementing the anti-corruption strategy	Outcome	Approved Fraud Prevention Policy in place.	

NDWEDWE MUNICIPALITY – ANNUAL REPORT OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

INTRODUCTION

The Audit Committee presents its report for the year ended 30 June 2009 in terms of its responsibilities and duties.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Audit Committee has adopted appropriate formal terms of reference and consisted of the three independent, external members as listed below. The Audit Committee meets at least four times per annum as per its approved terms of reference, although additional special meetings may be called as the need arises.

During the 2008/2009 year four meetings were held.

Name of member	No. of meetings attended
Ms. Thato Tsautse (Chair)	4
Mrs. Makhosazane Mvulane	3
Mr. Prakash Bansilal	3

AUDIT COMMITTEE RESPONSIBILITIES

The Audit Committee reports that it has complied, as far as possible, with its responsibilities as set out in its Council approved terms of reference.

REVIEW OF THE ANNUAL FINANCIAL STATEMENTS

The Audit Committee has noted the unqualified opinion expressed by the Auditor-General in his report on the Annual Financial Statements and commends management with regard to the preparation and presentation of these financial statements for the year under review. The Auditor-General, without qualifying his opinion, pointed out the following matters as set out below:

Non-compliance with applicable legislation

The Municipality failed to obtain approval of the debt by a council resolution as envisaged by section 46 (c) of the MFMA and to invite the public, National treasury and the relevant provincial treasury to submit written comments or representations to the council in respect of the proposed debt.

The Municipality also failed to publicise the annual report and to update the website as envisaged by section 127(5) and 75 of the MFMA.

The Municipality failed to take all reasonable steps to ensure that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality in terms of section 63 (2) (a).

Another issue of note relates to certain suppliers not being paid within 30 days of receiving the relevant invoice or statement as required by Section 65(2) (e) of the MFMA.

The Audit Committee expressed its concern about these non-compliances and advised Management to take firm steps to address these matters before they present a risk of qualification to the Annual Financial Statements of the Ndwedwe Municipality.

Matters of Governance

The MFMA imposes a number of responsibilities on the accounting officer concerning financial and risk management, and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities.

The following key governance responsibilities were assessed by the Auditor-General:

- Audit Committee
- Internal Audit
- Other matters of governance
- Implementation of Standards of Generally Recognised Accounting Practice (GRAP) with effect from 2009/10 financial year.

The Audit Committee has taken note of the satisfactory and overwhelmingly favourable assessment of these governance responsibilities of the Ndwedwe Municipality and trust that these governance practices will continue into the next financial year. The other matters raised in the remainder of the report have been noted by the Committee.

The Committee has:

- Reviewed the audited financial statements
- Reviewed management responses to the management letters of the Auditor-General
- Concluded that the going-concern premise is appropriate in preparing the annual financial statements

RISK ASSESSMENT AND MANAGEMENT

The Committee has been encouraged by efforts and commitment of management in putting in place effective strategies and plans for risk assessment and management by all its directorates. This management responsibility will continue to be monitored on an ongoing basis by the Committee.

Performance Management

The Committee has taken note of the findings of the Auditor-General on performance information during the year under review. The issue of compliance with all regulatory requirements on performance information and management will be monitored closely by the Committee.

CONCLUSION

The Audit Committee accepts the conclusions of the Auditor-General on the Annual Financial Statements for the year ended 30 June 2009 and recommends that the audited annual financial statements be adopted by the Council.

Ms. T A Tsautse
Chairman
November 2009

